

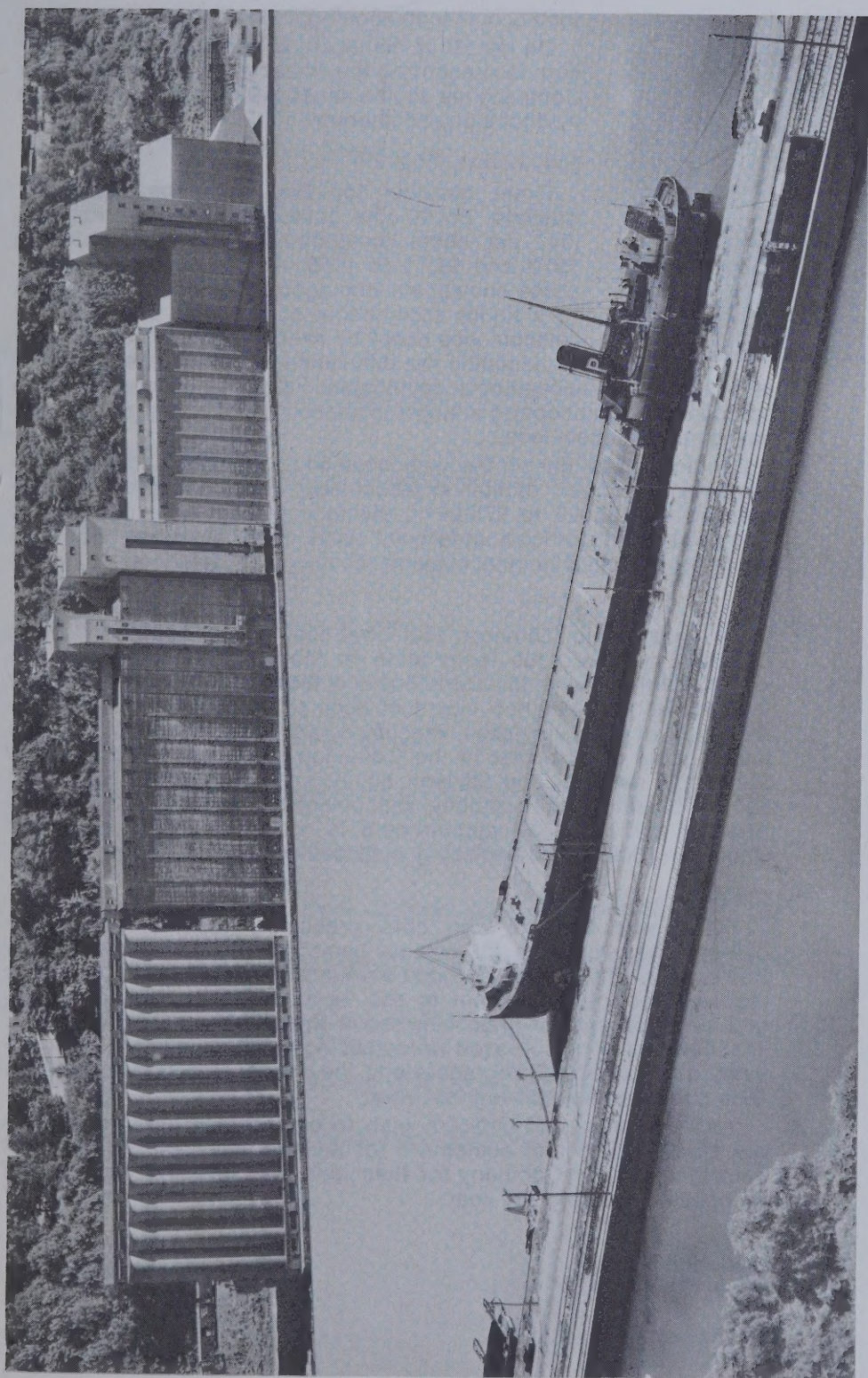
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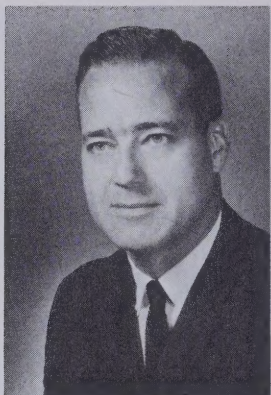
Corp report



The Goderich Elevator and
Transit Company Limited

73rd ANNUAL REPORT
for the year ended march 31, 71





DIRECTOR'S REPORT TO SHAREHOLDERS

On behalf of the Board of Directors, I take pleasure in presenting the financial statements of your Company as at March 31, 1971 together with the Auditor's report thereon.

FINANCIAL REVIEW

Grain handled for the year was 10,529,677 bushels. Profit after taxes was \$78,912 equal to .94¢ per share compared to \$1.57 per share in 1970 and \$1.18 in 1969. As the statement of income shows, we managed to hold total expenses to a figure comparable to the year previous, but revenue was down by over \$60,000, which was approximately the difference in net income. Because of a heavy Ontario feed corn crop in the Fall we were compelled to compensate by accepting a larger proportion of export grains, which pay proportionately less.

Dividends paid during the year were \$1.25 per share. Since there were no significant capital expenditures, working capital was increased by \$18,025 to \$759,419, giving a current ratio of 14 to 1. The investment portfolio underwent some major revisions which reflects an improved market value position.

BOARD OF DIRECTORS

Our most senior Director, and Chairman of the Board, Mr. F. H. Dunsford tendered his resignation in May. It was regretfully accepted by the Board. Mr. Dunsford is a Western Ontario flour miller who joined the Goderich board in June of 1943. He has served in the posts of Vice-President, President and finally as Chairman. His broad grasp of all facets of the Canadian grain industry made him a valuable member and advisor. Mr. K. L. Dunsford was appointed by the Directors to complete the unexpired term of office as a Director and while an appointment is not being made as Board Chairman, the duties are being assumed by the President.

OUTLOOK

The record Ontario corn crop previously mentioned has depressed the prospects for volume handling of Western feed grain this season although reasonable amounts of export grain are being received for trans-shipment to the Seaboard next Winter. Seven-and-a-half percent of grain handled in the year was Ontario grown. The first vessel this season unloaded April 17, coinciding with the same date in 1970. Total receipts to the end of May, 1971 are down 26% over the same period last year.

Your Directors and Officers wish to extend their appreciation to our shareholders and customers for their support and to thank all employees of our Company for their loyal and effective service and co-operation during the year.

Goderich, Ontario.
June 15, 1971.

For the Directors,
George G. Parsons,
President.

Clarkson Gordon & Co

Chartered Accountants

291 Dundas Street, London 14, Canada

AUDITORS' REPORT

**To the Shareholders of
The Goderich Elevator and Transit Company Limited.**

We have examined the balance sheet of The Goderich Elevator and Transit Company Limited as at March 31, 1971 and the statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.

Chartered Accountants.

London, Canada.
April 21, 1971.

The Goderich Elevator and

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

MARCH 31, 1970

(with comparative figures for 1971)

ASSETS

CURRENT:

	<u>1971</u>	<u>1970</u>
Cash	\$ 2,716	\$ 2,268
Investments — at cost (approximate market value—1971—\$786,235; 1970—\$708,942)	743,681	
Accrued interest	2,962	746,643
Accounts receivable	37,070	752,366
Income taxes recoverable	22,887	31,938
Accrued revenue from grain elevation and storage	8,320	17,551
Prepaid expenses	150	330
	<u>817,786</u>	<u>804,453</u>

FIXED:

Land—at cost	3,118	3,118
Land and water lots held under lease— at nominal value	1	1
Docks, buildings, barges, machinery and equipment—at cost	2,211,640	2,201,456
	<u>2,214,759</u>	<u>2,204,575</u>
Less accumulated depreciation	1,217,745	1,168,241
	<u>997,014</u>	<u>1,036,334</u>
	<u>\$1,814,800</u>	<u>\$1,840,787</u>

Transit Company Limited

(In accordance with the laws of Ontario)

SHEET

, 1971

(Figures for 1970)

LIABILITIES

CURRENT:

	<u>1971</u>	<u>1970</u>
Accounts payable and accrued charges	\$ 55,314	\$ 51,796
Taxes payable	3,053	11,263
	<u>58,367</u>	<u>63,059</u>
Deferred income taxes	277,000	272,000

Shareholders' equity:

Capital—

Authorized:

90,000 shares of no par value

Issued and fully paid:

84,166 shares

Retained earnings

936,040	936,040
543,393	569,688
<u>1,479,433</u>	<u>1,505,728</u>

On behalf of the Board

G. G. Parsons, Director

D. B. Weldon, Director

<u>\$1,814,800</u>	<u>\$1,840,787</u>
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STATEMENT OF INCOME
YEAR ENDED MARCH 31, 1971
(with comparative figures for 1970)

	1971	1970
Revenue from elevation, storage, shovelling and other charges	\$645,548	\$707,129
Expenses:		
Operating expenses—		
Wages of superintendent, weighmen, operators, etc.	210,244	197,483
Municipal taxes	47,074	49,622
Supplies, repairs and maintenance	73,181	81,092
Power, water and light	26,766	26,092
Insurance and elevator bond premiums	15,070	16,350
Insurance on grain in storage	9,610	11,525
Employees' pension plan	4,547	3,985
	386,492	386,149
Depreciation of properties	54,809	55,197
Administration expenses—		
Management and office salaries	46,918	42,888
Directors' fees	9,000	7,000
Office expenses, employee benefits, travelling, donations, etc.	32,770	33,260
	88,688	83,148
	529,989	524,494
Income from operations	115,559	182,635
Other income:		
Investment income	34,681	33,986
Gain (loss) on sale of investments	(7,328)	13,703
	27,353	47,689
Income for year before taxes on income	142,912	230,324
Taxes on income—current	59,000	94,000
deferred	5,000	4,000
	64,000	98,000
Net income for year	\$ 78,912	\$132,324
Earnings per share — based on outstanding shares	\$.94	\$1.57

NOTE: The aggregate remuneration of directors and senior officers (as such are defined under the requirements of The Business Corporations Act, 1970, Ontario) was \$75,233 for the year ended March 31, 1971 (\$61,500 for 1970). This includes remuneration of three employees not considered to be part of the management of the company.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED MARCH 31, 1971

(with comparative figures for 1970)

	<u>1971</u>	<u>1970</u>
Working capital beginning of year	<u>\$741,394</u>	<u>\$794,293</u>
Funds provided from:		
Operations—		
Net income for year	78,912	132,324
Add:		
Depreciation	54,809	55,197
Deferred income taxes	5,000	4,000
	<u>138,721</u>	<u>191,521</u>
Funds expended on:		
Payment of dividends	105,207	84,166
Purchase of fixed assets (net)	15,489	160,254
	<u>120,696</u>	<u>244,420</u>
Increase (decrease) in working capital during year	<u>18,025</u>	<u>(52,899)</u>
Working capital end of year	<u><u>\$759,419</u></u>	<u><u>\$741,394</u></u>

STATEMENT OF RETAINED EARNINGS

YEAR ENDED MARCH 31, 1971

(with comparative figures for 1970)

	<u>1971</u>	<u>1970</u>
Balance beginning of year	\$569,688	\$521,530
Add net income for year	78,912	132,324
	<u>648,600</u>	<u>653,854</u>
Deduct dividends paid of \$1.25 per share in 1971 and \$1.00 per share in 1970	105,207	84,166
Balance end of year	<u><u>\$543,393</u></u>	<u><u>\$569,688</u></u>

DIRECTORS

K. L. DUNSFORD
Great Star Flour Mills Ltd.
St. Marys, Ontario

H. C. HEIMBECKER
Parrish & Heimbecker Ltd.
Toronto, Ontario

K. E. HUBLEY
Jas. Richardson & Sons Ltd.
Toronto, Ontario

K. W. JONES
Winnipeg Charterers Ltd.
Winnipeg, Manitoba

G. G. PARSONS
Goderich Elevator & Transit Co. Ltd.
Goderich, Ontario

W. T. POWELL
Kenwal Enterprises Ltd.
Winnipeg, Manitoba

D. B. WELDON
Midland-Osler Securities Ltd.
London, Ontario

EXECUTIVE OFFICERS

G. G. PARSONS
President-Manager

D. B. WELDON
Vice-President

J. C. CHISHOLM
Secretary

J. B. LOCKHART
Treasurer

EXECUTIVE COMMITTEE

H. C. HEIMBECKER
Chairman

D. B. WELDON

G. G. PARSONS

AUDITORS

CLARKSON, GORDON & CO.
London, Ontario

BANKERS

ROYAL BANK OF CANADA

TRANSFER AND REGISTER AGENTS

CANADA PERMANENT TRUST COMPANY
1901 Yonge St., Toronto 7

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